Unemployment rate rises to 4.0% in December

Media Release

Released 16/01/2025

Source: Labour Force, Australia, December 2024

The seasonally adjusted unemployment rate rose by 0.1 percentage point to 4.0 per cent in December, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics said: "With employment rising by 56,000 people and the number of unemployed increasing by 10,000 people, the unemployment rate rose to 4.0 per cent.

"The number of employed people grew by 0.4 per cent in December 2024, slightly higher than the average monthly rise of 0.3 per cent during 2024. It was also higher than the average monthly population growth of 0.2 per cent over the year.

"The employment-to-population ratio rose 0.1 percentage point to a new record of 64.5 per cent. This was 0.5 percentage points higher than a year ago and 2.3 percentage points higher than before the COVID-19 pandemic.

"The rise in both the number of people employed and unemployed also saw a further rise in the participation rate, that is the percentage of the population who are employed or unemployed.

"The participation rate rose 0.2 percentage points to a record high of 67.1 per cent in December. This was 0.5 percentage points higher than a year ago, and 1.6 percentage points higher than March 2020."

Hours worked

Seasonally adjusted monthly hours worked increased by 0.5 per cent in December 2024, which was higher than the average monthly increase of 0.3 per cent in 2024. In annual terms, the growth in hours worked and the number of people employed were broadly similar (3.2 per cent and 3.1 per cent respectively).

Seasonally adjusted employment and hours worked, indexed to March 2020

Source: Labour Force, Australia Tables 1 and 19

Underemployment and underutilisation

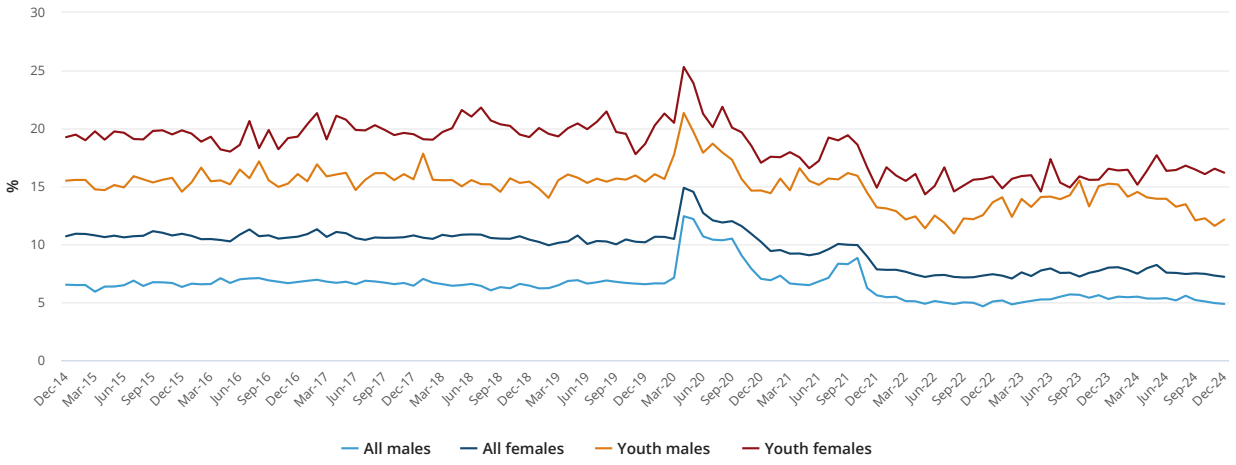
The underemployment rate fell 0.1 percentage point to 6.0 per cent in December 2024. This was 0.6 percentage points lower than December 2023, and 2.7 percentage points lower than March 2020.

The youth underemployment rate (for 15-24 year olds) of 14.1 per cent in December remained higher than that of the overall population, but was well below March 2020, when it was 19.1 per cent (5.0 percentage points lower).

The youth underemployment rate for men was 12.1 per cent, around 5.6 percentage points below March 2020, and 16.2 per cent for young women in December 2024 (4.3 percentage points lower than March 2020). However, recent changes in youth underemployment have been more pronounced for men than women.

“While there hasn’t been much change recently in the underemployment rate for young women, the rate for young men had been rising from mid-2022 to late 2023, when there was strong growth in employment and the number of job vacancies began to ease. However, this has since generally reversed throughout 2024, and their underemployment rate is now back to around where it was in late 2022,” Mr Jarvis said.

Seasonally adjusted underemployment rates by sex



Source: Labour Force, Australia Table 22

The underutilisation rate, which combines the unemployment and underemployment rates, remained at 10.0 per cent in December 2024. This was 3.9 percentage points lower than March 2020. The last time it was around 10 per cent, before the pandemic, was just before the Global Financial Crisis in 2008.

Given the youth unemployment and underemployment rates in December were both particularly low, the youth underutilisation rate was around 7.6 percentage points lower than March 2020, and also around its 2008 level.

Underlying trend data

In December, the trend unemployment rate remained at 4.0 per cent. It has been within a relatively narrow range of 3.9 and 4.1 per cent for the past 12 months.

In trend terms, employment grew by around 31,000 people (0.2 per cent), which was at the same rate as the 20-year pre-pandemic average (0.2 per cent).

Hours worked continued to grow at the same pace as employment, rising by 0.2 per cent.

The employment-to-population ratio and participation rate remained at the historical highs of 64.4 per cent and 67.1 per cent in December.

The underemployment rate fell 0.1 percentage point to 6.0 per cent, which led to the underutilisation rate falling by 0.1 percentage point to 10.0 per cent.

“While the unemployment rate has barely changed since last December, rising by around 0.1 per cent, other key measures returned to highs and lows during 2024,” Mr Jarvis said.

“Since December 2023, the employment-to-population ratio and participation rate have both increased back to

record highs, up by 0.3 and 0.4 percentage points respectively.

“The underemployment rate, which had generally been rising through 2023-24, has fallen over late 2024 to 6.0 per cent in December, around the recent low seen during the second half of 2022.”

More information, including regional labour market data, will be available in the upcoming December 2024 issue of Labour Force, Australia, Detailed, on Thursday 23 January 2025.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The December survey reference period is from 24 November 2024 to 7 December 2024.
- The January survey reference period is from 5 January 2025 to 18 January 2025.
- The ABS defines pre-pandemic as March 2020 when analysing and reporting labour force statistics.
- Watch our data literacy presentation on CPI, inflation and cost of living data (https://www.youtube.com/watch?v=9-sGkfqqI70) as well as our ABS data crash course (https://www.youtube.com/watch?v=le2K3PNejU4&list=PLR8_RxifMwL4JQTxYclMANzga67VBlyhj&index=11) , designed especially for journalists to learn how to find, download and interpret our data.
- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople can be found in our image library (https://www.abs.gov.au/media-centre/abs-image-library) .
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
- For media requests and interviews, contact the ABS Media Team on 1300 175 070 or media@abs.gov.au (mailto:media@abs.gov.au) (monitored 8:30am-5pm Canberra time, Monday-Friday).
- Subscribe to our media release notification service (https://www4.abs.gov.au/ausstats/notifications.NSF/Web+Pages/ABS+Email+Notification+Service?OpenDocument&js=enabled) to get notified of ABS media releases or publications on their release.